Prev
Apr 1st 53

App. F. IX-4 PRESERVED

168

192 9-30 (9.7.) File No. 169-29

Previous References
9485-930-3194

Serial Nos. 1-2

Later References

P.15
(E)

General and Revenue Secretariat.

Serial Nos. 2wo

Part B for Feb 1930.

SUBJECT

Local Audit of the initial records of the large Spending Departments.

To H.S. 7.25.84 & 25.2.30
To the Comptroller
other H.Dsg Depts
Secretaries to Govt
D.C.Sg Districts
Approval of the Comptroller's proposals for ——

EA

General and Revenue Secretariat. | G. File No. of 192

Serial No.

No B. 605 dt 13.11.29 from the Comptr
Suggesting certain arrangements for a loc
audit of Estt, T.A & Contingent Bills by
A.A & Staff & Deputs approval thereto.
The mode & scope of Audit of T.A
Bills in particular are contained in
Articles 100 to 104 of C.A.C. Vol II.
The arrangement suggested by the Comptr
is a very desirable one & is perhaps in
a sense overdue also.
The practice obtaining at Madras was
referred to in the deputation Reports of
Messrs A.N. Raghavachar & C.V. Srinivasa
Iyengar. The Local outside Auditors
in Madras visited some number of
the Registries mentioned on page 2 of P.No
& also a
Submit for orders with a draft dg. Recom
detailed audit by teams of Estt Bills
twice a year in the Central Offices was
ordered. dg appd, having regard to the Budget po
the possibilities of retrenchment may also
24/11 be asked to be examined, as far as pos

25/4

4 I have already noted the need in the deputation Reports
Off dg. putup

25/11

5 1. What is the strength of the local and
outside staff? 2. Is this staff able to cope with the
present

NOTE—Contn. sheet.

2046/pl.

App. F.-III—2]

General and Revenue Secretariat. | File N of 192 .

Serial No.

work ? 3 What is the position and state of work in this branch according to the last report of the working of this office ?

2/
28/4

6 Ans.

1) The permanent strength of L.A.D is 21 & there is a temporary addition of 2 for Record of Rights work.
Even of the 21, there are only 10 for Inspectional audit while the rest are fixed up for Certain fixed offices in charge

Local office & Hospital - 3
Block Offs - 2
Revenue Offs - 2
Treasury - 1
Camp Clerk - 1
For office 2
Inspectional 10
Record of Rights 2
23

2) The Comptr has himself suggested & a direction that the work should be managed with the existing staff may perhaps be added in the future.

3) Local audit. Number of inspections to be done in the year 116. overdue - nil.
To be done by Auditor in the year - 94

Records Audit. To be done in the year 42.
Overdue as per programme - 14
To be done by Auditor - 38.

7 This is the position during the Quarter ending 30.9.29

29/11
29/11/29

AD
30/11/29

H Secy)

I shall be obliged to information on the point as to whether the L.A. & O.A. staffs require any

Shey Secretariat

6/12
1/12

L.A.D.A.O.
No: 10.
29-30.

NOTE—Contn. sheet.

WD 066—GPB—80,000—26-7-29

General and Revenue Secretariat | File No. | of 192

Serial No.

ACCOUNTANT GENERAL'S OFFICE
27 DEC. 1929
BANGALORE.

if the proposed arrangement is approved. I think not, and I presume the present programme work of the L.A. local audit staffs will be adhered to, even after the inauguration of the new Delhi.

The file is returned to make the point clear.

To Comptr with Compliments.

28/12/29

12 TA Pairs 31/1/30

Returned with Compliments.

I do not propose to take up the regular Examination of all offices, in which case it would be necessary to Entertain Extra Staff. All that I suggest is that I may be Empowered to take up such work, in which case the proposed Examination will be made in some typical offices with the present Staff and the results watched. If the results justify the Extension of the Scheme to a larger number of offices and the Entertainment of Extra Staff becomes necessary, I shall then approach Govt. for it. At present I do not require Extra Staff for the purpose.

S. Shamanna
6.1.30

FINANCIAL SECRETARY
9 JAN. 1930
8654

8.1.30

Secy)

Note—Contd. Sheet

FINANCIAL
9 JAN. 1930
No. 4128

The proposal made in para 4 of enquiry letter dt. 13.11.29 may be approved.

14.1.30

WD 066—GPB—30,000—26-7-29

2046/28

App. F. III—2]

General and Revenue Secretariat | File No. | of 192

Serial No.

Discussed with Comptroller and discussed with Secretary also
Secy wants file to be referred to Comptroller -
may be referred
AM
28.1.30

U/S: Fri

Please consult Comptroller and put up a draft for consideration
L
13/1/30

Forwarded unofficially to Comptroller and Compliments
AM Raghavachary
18.1.30
For H Secy to Govt

No. No 80/28.
18.1.30

COMPTROLLER'S OFFICE
TA
18 JAN. 1930
368 Spl.
I. R. B.

W. 67/B11

Returned with Compliments.

My idea is that without Entertaining additional Staff, I might arrange for the Examination of the initial records referred to above in certain typical offices of ~~Each~~ the departments i.e. the office of the Departmental Head and one or two District Offices, ~~of Each Department~~

So that the defects in the initial accounts peculiar to the department may be noticed.

Para 5 of ~~the Appendix~~ Appendix I of M. & A. C Vol IV defining the powers and duties of the Comptroller provide already for such Examination by the Audit Staff.

It is not possible to specify the particular Offices which may be taken up and it may not be necessary to do so. A general order may serve the purpose —

V Shanmugam
22-1-30.

No. 126 B11/30
B11 No. 332 Spl
25.1.30

Several big

Part I.

9849/29

9491/29

Note—Contn. Sheet

Prepare draft up as suggested in the above observations
L
26/1/30

WD 066—GPB—30,000—26-7-29

General and Revenue Secretariat. | File No. | of 192

Serial No.

Please put up typed draft (fair)

8/2/30

fair
Typed draft Subd

8.2.30

Fl Secy 1) clean draft

2) Go Rapidly defining the duties and powers of Comptr. when put up

Subd with a clean draft.

Copy of the G.O.Nos. Fl 7876-9357 G.Ts 65-26-2 & 12.4.27 defining the functions of the Comptroller is put up.

12.2.30

Fl Secy

1st Member

As this order applies to all Depts Please Submit to Dewan and Second and Third Members before issue

Dewan Hon 2nd & 3rd members

15/2/30

19/2

19.2.30

Note—Contn. sheet.

WD 066—GPB—30,000—26-7-29

May the order issue?

Yes

Serial No.

To.

The Comptroller

" Secretaries to Govt.

" Heads of Depts

" Dy: Commrs of Dts

no. 7L 5-7 25-84 dt 28.2.30.

Approve of the proposal & directs that a report on the working of the arrangement should be submitted to Govt. after one year.

Proceedings
MSK
27/2/30

Dept. Have not effected Court transactions with the MSK
6/4/30
Copies despatched
9/4/30

B
MSK
12/4/30

WD 01684—GPB—30,000—20-4-29

C. O. 42. Gl.

FINANCIAL SECRETARY 15 NOV. 1929

G.J. 16.8.29.1

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. B.605/Gen.1 *Bangalore, dated* 13th November 1929.

2046/K 16.11.29

FROM

S. SHAMANNA, ESQ., B.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

W.S.K.

To

Rajasevaparayana
B.Srinivasa Iyengar, Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Financial Department,
Bangalore.

SIR,

I have the honour to state that the audit of Establishment, Travelling Allowance and Contingent bills, in the Audit Office, is confined mainly to the scrutiny of the claims preferred, with referenc to the information and certificates furnished in the bills by drawing officers. The correctness of the information and certificates furnished in the bills can be determined only by an examination of the initial accounts and documents maintained in the departmental offices (e.g., correctness of the leave granted and promotions- permanent, Sub-pro-tem or acting- ordered, posting of the Stock Registers of Furniture and other articles). There are certain cases in which the Sub-protem and Acting promotions shown in bills drawn from the treasury were found to have not been ordered by competent authority after an examination of the office Order Book and office copies of bills (e.g., para 70 of the Audit Report for 1926-27). Certain frauds and misappropriations have also been found to be due to the amounts of bills drawn from the treasury not having been brought on the cash and other initia accounts and to office copies of bills not being true copies of the documents presented and encashed at the Treasury.(Vide Para 250 of the Audit Report for 1927-28).

2. If audit is to be effective, central audit has to be supplemented by local test audit to the extent possible. It is ascertained that such test audit of some of the initial accounts is in force in Madras (e.g., Leave accounts, check of increments of inferior servants with reference to Service Registers and office copies of bills and Acquittance roll, Contract contingent charges).

I enclose herein certain extracts of the Audit and Appropriation Accounts of the Madras and Bombay Governments regarding the necessity for and result of local examination of the contingent expenditure and other accounts of certain offices conducted by officers of the Audit department.

3. Though it may not be possible to undertake a local test audit of the accounts of all offices, I can arrange for such audit in the case of some offices occasionally, by deputing the local and outside audit staff for the purpose, the local audit being confined to an examination of the following documents :-

(1) Office Order Book
(2) Office copies of Pay and T.A.bills and Acquittance Roll.
(3) Service Books
(4) Check of increments of inferior servants
(5) Contingent Register and Sub-vouchers not sent to the Audit Office.
(6) Stock Register of furniture and other articles.
(7) Imprest Accounts.
(8) Cash Book and Treasury Remittance Register
(9) Peculiar receipts of a miscellaneous character, if any, pertaining to the department.

4. If Government approve of such an examination I request that orders of Government according general ~~provision~~ permission to take up such local audit may be obtained and communicated to this office and that the departmental officers may be instructed to afford neces sary facilities to the Audit Staff.

I have the honor to be,
Sir,
Your most obedient servant,

V. Dhanamma
Comptroller.

Extract of Para 70 of the Audit Report for 24-25 (Madras).

Inspection of certain select offices by a special officer appointed by Government.—

The special officer referred to in para 55 of the report for 23-24 inspected the contingent expenditure and other accounts of about 45 offices during the 15 months from 1-11-23 to 31-1-25. He brought to the notice of Government double payments, excess and inadmissible payments, and Revenue forgone to a total of Rs.25,000 and suggested retrenchments and economies in expenditure or further sources of Revenue which if given effect to, would amount to ~~to~~ Rs.47,000. His examination brought into light frauds and embezzlements of about Rs.6000 in three offices alone.

x x x

The expenditure incurred to Government on account of this officer's deputation amounted to about Rs.14,000. It would appear desirable that a periodical local examination of accounts of contingent expenditure locally by an officer appointed for the purpose by Government should be made a regular feature as the moral effect of the examination is considerable.

Auditor's General's Views on the above.

I strongly recommend the consideration of the views expressed by the Accountant General.

The consideration of this item by the Public Accounts Committee was postponed pending circulation to members of the Committee, of G.C. No.949 Fin. dated 8-12-25 embodying instructions to heads of departments based on the irregularities and defects observed by the special officers. The Committee therefore opined that the results of instructions should be watched and that if in any office there were indications that the instructions were being ignored, a thorough examination of accounts of that office should be undertaken

Paragraph 38 of Appropriation Accounts of the Government of Bombay for the year 1926-27.

Economy

In paragraph 64 of the Audit Report for 25-26, it was stated that the services of an officer of the Indian Audit and Accounts service were lent to the Bombay Government for a year in connection with the local examination of contingent expenditure of various departments under Government. The officer has since completed his investigations and submitted 39 repor with regard to the offices examined by him, in addition to three general reports dealing with Jail, Medical and Police Departments. As a result of these investigations, it was considered feasible by Government to make a general 5 per cent reduction in this expenditure in almost all Departmen except the Public Works Department where the reduction was 7½%. This general reduction has resulted in a saving of about Rs.4,00,000 in 1927-'28 ~~and is estimated to result in a saving of about Rs.4,00,000 in 1927-28~~ and is estimated to result in a saving of nearly seven lakhs and a quarte in 1928-29 as compared with the figures for 1926-27.

==========

Paragraph 64 of Audit Report on the Accounts of the Bombay Presidenc for the year 1925-26.

Examination of contingent Expenditure.- At the instance of the Auditor General, a scrutiny was applied to the contingent expenditure of various Departments, but no serious defects were noticeable in the bills sent to the Audit office for audit. From the experience gained, however, it was apparent that only a local examination of the accounts on the spot would be of real value as it would enable the inspecting officer to examine in detail the various contingent registers, the stock lists of fur- niture and stationery, &c. The Local Government were, therefore, addressed in the matter and an officer of the Indian Audit and Accounts service has been placed on special duty under their administrative contr

It is understood that about 18 offices were inspected by him during the year under report. Certain suggestions towards economy have also been submitted for the consideration of Government. It is presumed that Government will consider the advisability of referring these

recommendations to the Retrenchment Officer recently appointed and to the Departments concerned, before final orders are passed thereon.

"Copies"

M Krishnamoorthy

Superintendent,
TAD.B.Section,
Comptroller's Office.

G.J 168.29-2

PROCEEDINGS OF THE GOVERNMENT OF H. H. THE MAHARAJA OF MYSORE.

****

READ:-

Letter No.B.605 dated 13-11-29 from the Comptroller, suggesting the desirability of an examination ~~of~~ by the local and outside audit staff of office copies of pay and T.A.bills and other initial records in some offices.

(Printed as annexure to this order).

****

ORDER NO: FL: 5725-84

Dated. Bangalore, the 25.2.30

The Comptroller proposes to arrange for ~~the~~ an examination of the initial records relating to estt, T.A. and contingencies in some large spending offices and in one or two District Offices with a view to analysing the defects, if any, peculiar to the offices, and get them promptly remedied. Such an examination is within the competency of the Comptroller, whose powers and duties are defined in para 5 of App. I, M.A.C. Vol.IV. Government accordingly approve of the Comptroller's proposal. Before instituting the examination of the initial records in an office, not included in the list of offices whose accounts are ~~not~~ subjected to local audit, the Comptroller is, ~~however~~, requested to consult the Head of the Department concerned and intimate to Government in ~~dx~~ advance the offices proposed to be inspected by his audit staff.

Ex.21(10) 22/2

Government desire that a report of the

working of the arrangement should be submitted to them after one year.

Finl.Secy. to Govt.

To

The Comptroller

" Other Heads of Departments.

" Secretaries to Government.

" D. C's of Districts.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 5725-84—G. F. 169-29-4, dated 22nd—25th February 1930.

Local Audit.

Approves of the Comptroller's proposals for —— of the initial records of the large spending Departments.

READ—

Letter* No. B. 605, dated the 13th November 1929, from the Comptroller to Government, suggesting the desirability of an examination by the local and outside audit staff of office copies of Pay and Travelling Allowance bills and other initial records in some offices.

(*Printed as annexure.)

ORDER NO. FL. 5725-84—G. F. 169-29-4, DATED 22ND—25TH FEBRUARY 1930.

The Comptroller proposes to arrange for an examination of the initial records relating to Establishment, Travelling Allowance and Contingencies in some large spending offices and in one or two District Offices with a view to analysing the defects, if any, peculiar to the offices and get them promptly remedied. Such an examination is within the competency of the Comptroller, whose powers and duties are defined in para 5 of Appendix I, Mysore Account Code, Vol. IV. Government accordingly approve of the Comptroller's proposal.

2. Before instituting the examination of the initial records in an office not included in the list of offices whose accounts are subjected to local audit, the Comptroller is requested to consult the Head of the Department concerned and intimate to Government in advance the offices proposed to be inspected by his audit staff.

3. Government desire that a report of the working of the arrangement should be submitted to them after one year.

B. SRINIVASA IYENGAR,
Financial Secretary to Government.

To—The Comptroller to the Government of Mysore.
The Other Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.

Exd.—P. R. S. N.

No. Fl. 5725-84—G. F. 169-29-4, dated 22nd—25th February 1930.

Letter No. B. 605, dated the 13th November 1929, from the Comptroller to the Government of His Highness the Maharaja of Mysore, to the Secretary to the Government of His Highness the Maharaja of Mysore, Financial Department, Bangalore.

I have the honour to state that the audit of Establishment, Travelling Allowance and Contingent bills, in the Audit Office, is confined mainly to the scrutiny of the claims preferred, with reference to the information and certificates furnished in the bills by drawing officers. The correctness of the information and certificates furnished in the bills can be determined only by an examination of the initial accounts and documents maintained in the departmental offices (*e.g.*, correctness of the leave granted and promotions—permanent, *sub-pro-tem* or acting—ordered, posting of the Stock Registers of Furniture and other articles). There are certain cases in which the *sub-pro-tem* and Acting promotions shown in bills drawn from the treasury were found to have not been ordered by competent authority after an examination of the Office Order Book and office copies of bills (*e.g.*, para 70 of the Audit Report for 1926-27). Certain frauds and misappropriations have also been found to be due to the amounts of bills drawn from the treasury not having been brought on the cash and other initial accounts and to office copies of bills not being true copies of the documents presented and encashed at the Treasury. (*Vide* Para 250 of the Audit Report for 1927-28.)

2. If audit is to be effective, central audit has to be supplemented by local test audit to the extent possible. It is ascertained that such test audit of some of the initial accounts is in force in Madras (*e.g.*, leave accounts, check of increments of inferior servants with reference to Service Registers and office copies of bills and Acquittance roll, Contract contingent charges).

3. I enclose herein certain extracts of the Audit and Appropriation Accounts of the Madras and Bombay Governments regarding the necessity for and result of local examination of the contingent expenditure and other accounts of certain offices conducted by officers of the Audit Department.

4. Though it may not be possible to undertake a local test audit of the accounts of all offices, I can arrange for such audit in the case of some offices, occassionally, by deputing the local and outside audit staff for the purpose, the local audit being confined to an examination of the following documents:—

(1) Office Order Book.
(2) Office copies of Pay and Travelling Allowance bills and Acquittance Roll.
(3) Service Books.
(4) Check of increments of inferior servants.
(5) Contingent Register and Sub-vouchers not sent to the Audit Office.
(6) Stock Register of furniture and other articles.
(7) Imprest Accounts.
(8) Cash Book and Treasury Remittance Register.
(9) Peculiar receipts of a miscellaneous character, if any, pertaining to the department.

5. If Government approve of such an examination I request that orders of Government according general permission to take up such local audit may be obtained and communicated to this office and that the departmental officers may be instructed to afford necessary facilities to the Audit Staff.

W D 2588—GPB—425—11-3-30